

DAVID LOEBSACK

2ND DISTRICT, IOWA

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12 00 2012 RCVD
Congress of the United States
House of Representatives
Washington, DC 20515-1502

August 20, 2012

Julius Genachowski, Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Genachowski,

I write to bring to your attention numerous concerns and questions that have been raised by Iowa telecommunications companies in the wake of the FCC's implementation of the Universal Service Fund (USF)/Intercarrier Compensation (ICC) Transformation Order. I share their serious concerns that this order will negatively affect the deployment of broadband and other telecommunications services in rural areas like many areas in my home state of Iowa.

Implementation of this order will have a depressing economic impact in rural Iowa as numerous companies that had planned broadband expansion projects under the previous system are now questioning the economics of providing such services. I respectfully urge you to temporarily suspend aspects of the order affecting rural telecom providers until the FCC can provide clarity that the order will not jeopardize the services provided by rural telecoms and hurt the consumers that rely on them for broadband and other services.

This order may make it nearly impossible for small businesses committed to serving rural areas to build and maintain the infrastructure needed, further depressing rural economic development and hurting our rural areas. Already numerous companies have filed for waivers under the new plan because of the inability to meet the needs of rural consumers through the new system.

Many small rural carriers have made investments in rural areas based on universal service funding that federal statute requires to be "predictable" and "specific," but unfortunately uncertainty has arisen over models for determining support levels, the waiver process and costs to apply, and the impact on carriers' ability to pay back government loans.

The FCC should not be moving forward with reforms we know will need to be modified in the future and currently are discouraging investment in rural broadband, may undermine rural loan programs, and jeopardize existing jobs created by the investments made by the rural telecommunications industry. I again respectfully urge you to clarify the order to ensure it will not jeopardize services provided by rural telecoms and hurt Iowa consumers.

Sincerely,



Dave Loeb sack
Iowa's Second District

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FEDERAL COMMUNICATIONS COMMISSION

January 8, 2013

JULIUS GENACHOWSKI
CHAIRMAN

The Honorable Dave Loebsack
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter regarding the FCC's Universal Service Fund reforms. I appreciate your interest in this matter and am pleased to provide the enclosed letter on this issue from the Chief of the Wireline Competition Bureau's Telecommunications Access Policy Division.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature of Julius Genachowski is written in black ink. The signature is stylized, with a large, sweeping 'J' and 'G' that are connected. Below the signature, the name "Julius Genachowski" is printed in a standard font.

Julius Genachowski

Enclosure



Federal Communications Commission
Washington, D.C. 20554

January 8, 2013

The Honorable David Loebsack
U. S. House of Representative
1527 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter expressing concerns about the effect of the Commission's Universal Service Fund (USF) reforms on rural telecommunications providers. I want to assure you that the Commission will continue to work with all stakeholders, including rural carriers, throughout the reform process.

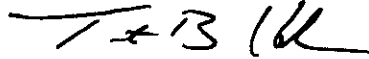
The Commission's implementation of the *Transformation Order* continues to be guided by three key goals: expanding broadband to the millions of unserved Americans, preserving voice and broadband service in areas that would not be served absent support, increasing fiscal responsibility and accountability in USF spending to ensure the long term sustainability of the Fund, and setting forth transition periods that recognize business realities. In addition as we hear from stakeholders about concerns with implementation, we will make adjustments as appropriate. For instance, on April 25, 2012, the Commission extended the transition for originating intercarrier compensation payments, a concern raised by many smaller carriers. Likewise, in the Wireline Competition Bureau's April *Benchmarks Order*, the Bureau revised the initially proposed high-cost loop support benchmark categories to respond to a number of the concerns raised by smaller carriers. In particular, the revised methodology accounts for several additional drivers of cost in comparing spending between carriers, it takes recent investment into consideration, it extends the transition period to give carriers greater time to adjust, and it provides a streamlined process to address any concerns about the accuracy of carriers' data. The Commission also extended a number of reporting deadlines for smaller carriers.

Even as we continue to make necessary adjustments, the Chairman believes that it is important to keep moving forward with implementation of the Commission's once-in-a-generation reforms and not roll back progress that we have made. As we do, the Commission and staff will continue to run a fair, open process in which the valid concerns of stakeholders are addressed – working closely with affected carriers to ensure that residents of the nation's rural

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and high-cost areas receive the quality voice and broadband services that all Americans need. I appreciate your interest in this very important matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "T. B. Harkrader", with a stylized flourish at the end.

Trent B. Harkrader

Chief

Telecommunications Access Policy Division

Wireline Competition Bureau

cc: The Honorable Michael B. Enzi
The Honorable Cynthia Lummis